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### **Statement on the adverse impacts of investment decisions on sustainability**

At Santander TFI S.A. we recognise that through our investment activities we can have a significant impact on society and the environment.

We recognise that sustainable development is fundamental to the needs of our world and may require a new way of investing, while at the same time increasing the value of our investments.

The analysis of the social and environmental impact of investments is particularly relevant for sub-funds that promote environmental and social aspects or aim to invest in sustainable development, so-called SRI (*Social and Responsible Investment*) products.

In response to this increasingly important global trend, we have expanded our offering with Santander Prestiż Global Responsible Investment (a sub-fund of Santander Prestiż SFIO), which fully incorporates ESG (Environmental, Social and Governance) criteria into the investment process and focuses on companies that demonstrate a significant correlation with high ESG standards.

For this product:

- detailed monitoring of the occurrence of adverse impacts of investment decisions on sustainable development is carried out
- exclusion criteria are applied for economic sectors with the greatest potential for causing adverse impacts on sustainable development, and
- evaluation and monitoring is conducted of the extent to which a particular company in which a fund has invested is exposed to controversies that may lead to significant adverse impacts resulting from non-compliance with internationally accepted regulations or standards.

We plan to take further steps to comply with applicable regulations regarding the identification, prioritization and implementation of due diligence activities to minimize major adverse sustainability impacts of investments for all products in our portfolio. To this end, we continually keep abreast of regulatory developments and emerging tools in the marketplace that facilitate and enhance access to this type of information, and we monitor the technical feasibility of incorporating it into the investment process.

We strive to pursue sustainability and responsible business by applying the best practices and standards globally and within the Santander Group, which are embedded in the regulations that guide our daily work. We recognise that certain investment activities may have adverse sustainability impacts and we seek, where possible, to minimise such impacts by applying the principles described, in particular, in the following regulations:

- Sustainability Policy - which sets out the general principles and commitments we seek to pursue regarding sustainability.
- Sustainable and Responsible Investment Policy - which sets out Santander Group's sustainable and responsible approach to investment and defines how we integrate ESG criteria into the investment process
- Policy of engagement in companies listed on a regulated market and application of corporate governance measures – On the basis of this policy, we assess the responsibility of the business conducted by the companies as demonstrated by actions taken to protect and secure the ESG criteria. We attach great importance to corporate governance of companies. The policy also describes the process of dialogue with companies and the rules of exercising voting rights at general meetings of shareholders.
- Sector Risk Management Policies - pursuant to these policies, we do not invest in companies from the so-called "sensitive" sectors, which include, for example, the defence sector associated with the production, trade or distribution of, for example, anti-personnel mines, cluster bombs, chemical or biological weapons, nuclear weapons, depleted uranium munitions. Santander Group has also declared a total reduction of exposure to coal mining and coal-fired power generation by 2030.
- Conflict of Interest Management Regulations - sets out detailed rules for fulfilling legal, regulatory and ethical obligations related to conflicts of interest.

- Anti-Corruption Program - its purpose is to establish the principles applicable at Santander TFI S.A. with respect to anti-corruption, notwithstanding any additional controls that may be required under other laws or local requirements in this regard.
- Corporate Volunteering Policy - our employees may participate in initiatives aimed at, among others, supporting education and scientific development, promoting equal opportunities, or building a civil society.

Given the impact our investment activities can have on sustainability, in July 2020 we became a signatory to the United Nations supported initiative called UNPRI (United Nations Principles for Responsible Investment) which seeks to promote the concept of responsible investment. It fosters six general Principles for Responsible Investment:

- 1) incorporating ESG issues into investment analysis and decision-making processes,
- 2) being active owners and incorporating ESG issues into ownership policies and practices,
- 3) seeking appropriate disclosure on ESG issues by the entities which are invested in,
- 4) promoting acceptance and implementation of the Responsible Investment Principles within the investment industry,
- 5) working together to enhance our effectiveness in implementing the Principles,
- 6) reporting on our activities and progress towards implementing the Principles.

The signing of the internationally recognized Principles for Responsible Investment is an expression of our desire to increase our commitment to responsible investing.

Sustainability issues are a challenge for the entire financial market. They require action on the part of financial institutions, issuers and regulators alike. We are currently in the process of developing standards, including disclosures necessary to properly manage sustainability risks. It is our intention to continue our work and efforts for sustainable development.